

# **Actuaries: Delaying Individual Mandate Would Disrupt Coverage, Increase Costs for Consumers**

In a letter to lawmakers, The American Academy of Actuaries' Health Practice Council cautioned against delays to the ACA's individual mandate or an extended open enrollment period. "The individual mandate and limited open enrollment periods are integral components of the law, and delaying their implementation could have significant implications for health insurance coverage and costs," the letter said. "Without the individual mandate or limited open enrollment period, premiums would likely be higher than they would be otherwise."

The letter notes that these provisions are inextricably linked to the ACA's market reforms, which take effect on January 1, 2014, and are necessary to make those reforms viable.

- "By encouraging the young and the healthy, as well as the old and the sick, to obtain insurance coverage, these provisions will help ensure that insurance markets are viable and premiums are stable. Without the individual mandate and limited open enrollment period, premiums would likely be higher and more individuals would be uninsured than otherwise would occur without these provisions."
- "Approved premiums for 2014 are based on assumptions that the individual mandate and limited open enrollment period will be in place... If the individual mandate is delayed or the open enrollment period extended, individuals who purchase coverage likely would be higher-cost individuals; lower-cost individuals would have an incentive to delay purchasing coverage. The premiums approved for 2014, therefore, may not adequately cover the cost of providing benefits for an enrollee population with higher claims than anticipated in the premium calculations."
- "Delaying the individual mandate or extending the limited open enrollment period could increase premiums for 2015. Premiums for 2015 will reflect insurers' expectations regarding the composition of the risk pool—that is the health status and expected medical needs of those purchasing coverage. If the individual mandate is delayed or the open enrollment period extended, healthy and lower-cost individuals would be more likely to delay coverage, whereas less healthy and higher-cost individuals would be more likely to obtain coverage right away. This would affect not only the risk pools and insurance claims in 2014, but also those for 2015."

For more information about the individual mandate, click [here](http://www.ahipcoverage.com/wp-content/uploads/2013/10/WYNTK.pdf) (<http://www.ahipcoverage.com/wp-content/uploads/2013/10/WYNTK.pdf>) and visit [The Link](http://thelink.ahip.org/) (<http://thelink.ahip.org/>).